



January 26, 2007

HOUSE BILL No. 1073

DIGEST OF HB 1073 (Updated January 24, 2007 2:59 pm - DI 101)

Citations Affected: IC 6-8.1.

Synopsis: Collection of tax warrants from bank accounts. Requires a special counsel or collection agency that makes a claim on behalf of the department of state revenue or a county treasurer to levy on a taxpayer's property at a financial institution to: (1) submit certain information concerning the claim to the financial institution; and (2) pay a fee of \$10 for each claim submitted to the financial institution.

Effective: July 1, 2007.

Bardon, Burton, Grubb

January 8, 2007, read first time and referred to Committee on Financial Institutions.
January 25, 2007, reported — Do Pass.

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HB 1073—LS 6597/DI 114+



January 26, 2007

First Regular Session 115th General Assembly (2007)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2006 Regular Session of the General Assembly.

HOUSE BILL No. 1073

A BILL FOR AN ACT to amend the Indiana Code concerning financial institutions.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-8.1-8-8 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 8. **(a)** After a tax
3 warrant becomes a judgment under section 2 of this chapter or a tax
4 warrant is returned uncollected to the department under section 3 of
5 this chapter, the department may take any of the following actions
6 without judicial proceedings:

7 (1) The department may levy upon the property of the taxpayer
8 that is held by a financial institution by sending a claim to the
9 financial institution. Upon receipt of a claim under this
10 subdivision, the financial institution shall surrender to the
11 department the taxpayer's property. If the taxpayer's property
12 exceeds the amount owed to the state by the taxpayer, the
13 financial institution shall surrender the taxpayer's property in an
14 amount equal to the amount owed. After receiving the
15 department's notice of levy, the financial institution is required to
16 place a sixty (60) day hold on or restriction on the withdrawal of
17 funds the taxpayer has on deposit or subsequently deposits, in an

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amount not to exceed the amount owed.

(2) The department may garnish the accrued earnings and wages of a taxpayer by sending a notice to the taxpayer's employer. Upon receipt of a notice under this subdivision, an employer shall garnish the accrued earnings and wages of the taxpayer in an amount equal to the full amount that is subject to garnishment under IC 24-4.5-5. The amount garnished shall be remitted to the department. The employer is entitled to a fee in an amount equal to the fee allowed under IC 24-4.5-5-105(5). However, the fee shall be borne entirely by the taxpayer.

(3) The department may levy upon and sell property and may:

(A) take immediate possession of the property and store it in a secure place; or

(B) leave the property in the custody of the taxpayer; until the day of the sale. The department shall provide notice of the sale in one (1) newspaper, as provided in IC 5-3-1-2. If the property is left in the custody of the taxpayer, the department may require the taxpayer to provide a joint and several delivery bond, in an amount and with a surety acceptable to the department. At any time before the sale, any owner or part owner of the property may redeem the property from the judgment by paying the department the amount of the judgment. The proceeds of the sale shall be applied first to the collection expenses and second to the payment of the delinquent taxes and penalties. Any balance remaining shall be paid to the taxpayer.

(b) A special counsel or collection agency that makes a claim to a financial institution on behalf of the department under subsection (a)(1) or a county treasurer under IC 6-1.1-23-10(c)(1) shall submit the following to the financial institution:

(1) Proof of employment or contract with the department under section 4 of this chapter or county treasurer under IC 6-1.1-23-1.5.

(2) A fee of ten dollars (\$10) for each claim.

(3) A notice of levy issued by the department or county treasurer.

(4) A form approved by the department or county treasurer containing instructions for remitting funds to the special counsel or collection agency making the claim.

(5) A stamped, self-addressed envelope for return of the form submitted under subdivision (4).

A financial institution, special counsel, or collection agency may not assess a fee under subdivision (2) to the department, county

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1 **treasurer, or taxpayer.**

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Financial Institutions, to which was referred House Bill 1073, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

BARDON, Chair

Committee Vote: yeas 8, nays 0.

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